

MONTANA STEM SCHOLARSHIP PROGRAM – HB 617

What is the purpose of HB 617?

HB 617 shifts the Lottery's mission to funding higher education STEM scholarship opportunities in the areas of science, technology, engineering, and mathematics, including healthcare. Lottery was originally created by the Montana electorate in 1986 for education pursuits, and HB 617 merely restores this purpose. The program will be administered by the Board of Regents through the Commissioner of Higher Education's Office. The STEM scholarships can be used at any postsecondary institution – a unit of the Montana university system, a Montana community college, or an accredited tribal community college.

What are the eligibility requirements for the STEM scholarship?

To be eligible for the Montana STEM scholarship, a student must meet the following requirements:

- the student must be a Montana resident who graduated from a Montana high school (public or private) with a cumulative grade point average of at least 3.25;
- the student must be eligible for in-state tuition pursuant to the Board's policies;
- the student must have completed a rigorous college preparation program, including 4 years of mathematics and 3 years of science;
- the student must be enrolled full time in at least 15 credit hours at a postsecondary institution in the fall semester immediately following the student's graduation from high school;
- the student must be seeking the student's first certificate or 2-year or 4-year degree at a postsecondary institution; and
- the student must have declared a STEM or healthcare major as the student's intended course of study.

A student is ineligible for the Montana STEM scholarship if the student:

- has failed to meet the federal Title IV selective service registration requirements;
- is in default on a Title IV or state of Montana educational loan or owes a refund to a federal Title IV or state of Montana student financial aid program; or
- is incarcerated - a student may receive a Montana STEM scholarship upon release if the student meets all other eligibility requirements.

How much are the STEM scholarships for and are they renewable?

A student who meets the eligibility requirements will receive a \$1,000 scholarship for the first academic year the student is enrolled at a postsecondary institution. An eligible student will receive a \$2,000 scholarship for the student's second academic year. To be eligible for the STEM scholarship in the student's second academic year, the student must:

- have completed at least 30 credit hours in the first academic year;
- have maintained a grade point average of at least 3.0;
- be enrolled full time at the postsecondary institution in the current academic year; and
- continue to major in a STEM or healthcare major.

Program expansion possibilities exist in future legislative sessions to either increase the scholarship amount or extend renewals to third and fourth academic years.

How will the STEM scholarship program be funded?

Currently, all net revenues from the Lottery are transferred to the general fund. HB 617 caps that transfer at FY 2015 levels. Starting in FY 2016, once that cap is reached in the fiscal year, the remainder is then transferred to the newly created STEM scholarship state special revenue account.

Where did this idea come from?

A number of other states have used its state lottery to promote education opportunities in their respective states. The following are examples:

- **Georgia Lottery HOPE Scholarship Program:** Since the HOPE Program began in 1993, over \$8 billion in HOPE funds have been awarded to more than 1.6 million students attending Georgia's colleges, universities, and technical colleges. <http://www.galottery.com/education>
- **South Carolina Education Lottery:** The [SC Education Lottery legislation](#), states that "proceeds of lottery games must be used to support improvements and enhancements for educational purposes and programs as provided by the General Assembly and that the net proceeds must be used to supplement, not supplant, existing resources for educational purposes and programs." Since 2002, \$3.4 billion in funds have been appropriated. <http://www.sceducationlottery.com/educationwins/educationwins.aspx>
- **The Arkansas Academic Challenge Scholarship:** The Arkansas Academic Challenge Program provides educational assistance to Arkansas residents in pursuit of a higher education. To date, more than 155,000 scholarships have been awarded. <http://myarkansaslottery.com/about/scholarships>
- **New Mexico Legislative Lottery Scholarship:** The Legislative Lottery Scholarship helps pay tuition expenses for New Mexico high school graduates who plan to attend an eligible New Mexico public college or university. <http://www.hed.state.nm.us/students/lotteryscholarship.aspx>
- **Tennessee Lottery Scholarship:** Beginning in 2004, Lottery-funded scholarships and grants became available to Tennessee students attending public or private colleges or universities across the state. Today, more than 100,000 individuals benefit each year from Lottery-funded awards and programs. All scholarships and grants are administered by the Tennessee Student Assistance Corporation, using funds deposited into an education account by the Tennessee Education Lottery Corporation. http://www.tnlottery.com/wheremoneygoes/where_benefits.aspx

Who is supporting HB 617?

The following groups and Montana businesses support HB 617:

- Republican Leadership
- Governor Steve Bullock
- Office of the Commissioner of Higher Education
- Montana Lottery
- Montana Chamber of Commerce
- Montana Community Colleges
- MHA...An Association of Montana Health Care Providers
- Student Assistance Foundation
- Deloitte Consulting
- Associated Students of University of Montana
- Associated Students of Montana State University